



May 14, 2018

Amur Equipment Finance, Inc.  
308 N. Locust Street  
Grand Island, NE 68801  
Attn: Legal Department  
Facsimile: (308) 398-4141

**VIA FACSIMILE AND U.S. MAIL**

**Re: Valley Packaging Corp. Rental Agreement No. 1015-009A**

Dear Amur Legal Department,

Reference is hereby made to that certain Purchase and Sale Agreement without Recourse dated as of March 28, 2016 (the "Purchase Agreement"), by and between Amur Equipment Finance, Inc., f/k/a Axis Capital, Inc. ("Amur"), and TCF Equipment Finance, a division of TCF National Bank ("TCFEF"). Pursuant to the Purchase Agreement and certain other documents and agreements executed in connection therewith, TCFEF purchased from Amur, among other things, Amur's interest in that certain Rental Agreement No. 1015-009A (the "Rental Agreement"), by and between KMH Systems, Inc. ("KMH") and Valley Packaging Corp. ("VPC"), which Amur had acquired from KMH pursuant to that certain Assignment dated as of October 29, 2015 (the "Assignment"), by and between Amur and KMH. The Rental Agreement, Assignment and related documents (together, the "VPC/KMH Purchased Contract") constitute a Purchased Contract under the Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings given in the Purchase Agreement.

As you may know, payments due from VPC pursuant to the Rental Agreement are seriously delinquent, and pursuant to the terms of the Purchase Agreement, a Contract Default has occurred with respect to the VPC/KMH Purchased Contract. Accordingly, TCFEF previously terminated Amur as servicer with respect to the VPC/KMH Purchased Contract, and has undertaken efforts to collect amounts due under the VPC/KMH Purchased Contract, which efforts continue as of the date of this letter.

Pursuant to Section 3.1(g)(i) of the Purchase Agreement, Amur represented and warranted to TCFEF that, among other things, (a) immediately prior to the transactions contemplated by the Purchase Agreement, Amur was the legal and beneficial owner of the VPC/KMH Purchased Contract and the Equipment leased or financed pursuant thereto, in each case free and clear of any Adverse Claim; and (b) the Purchase Agreement is effective to convey to TCFEF legal and equitable title to the VPC/KMH Purchased Contract and the Equipment leased or financed pursuant thereto, in each case free and clear of any Adverse Claim (clauses (a) and (b) together, the "Specified Representations"). In short, pursuant to the Purchase Agreement, Amur sold to TCFEF, and TCFEF paid Amur for, both (x) Amur's right, title and interest in the remaining payments due under the Rental Agreement, and (y) Amur's residual interest in the Equipment, which pursuant to Section 3.1(g)(i) of the Purchase Agreement, Amur represented and warranted was being sold to TCFEF free any clear of any Adverse Claim.

Following the Contract Default, TCFEF conducted a review of the VPC/KMH Purchased Contract documents, and as a result of such review, TCFEF preliminarily determined that the Assignment did not evidence a full sale, assignment and transfer of all of KMH's right title and interest in and to the Rental Agreement and the Equipment to Amur, but rather evidenced a discounting transaction whereby only

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the forty-eight (48) monthly rental payments due from VPC under the Rental Agreement where purchased by and assigned to Amur, with KMH having retained the residual interest in the Equipment following the expiration or termination of the Rental Agreement, subject to a security interest in the Equipment granted by KMH in favor of Amur to secure VPC's obligation to make the assigned rental payments.

TCFEF presented this preliminary determination to Mr. Mike Coon of Amur by telephone and email correspondence in February, March and May of this year, and requested that Amur review its records and provide documentary evidence confirming that Amur had, in fact, purchased the residual interest in the Equipment that it subsequently purported to sell to TCFEF pursuant to the Purchase Agreement. To date and despite repeated requests, Amur has been unable to provide any such documentary evidence, which has led TCFEF to conclude that its preliminary determination with respect to the VPC/KMH Purchased Contract was accurate.

Accordingly, TCFEF has concluded that the Specified Representations were not true and correct on the date made, and that such breach by Amur has in fact had a material adverse effect on the interest of TCFEF in and the collectability of the VPC/KMH Purchased Contract. Therefore, pursuant to Section 3.2(a) of the Purchase Agreement, unless Amur is able to cure the breach of the Specified Representations to the satisfaction of TCFEF within 20 Business Days of receipt of this letter (i.e., June 12, 2018), TCFEF hereby respectfully requests that Amur, on or before June 12, 2018, repurchase the VPC/KMH Purchased Contract from TCFEF, and pay to TCFEF in immediately available funds an amount equal to the Contract Balance of the VPC/KMH Purchased Contract as of the repurchase date. For your reference, if the repurchase date were to be May 14, 2018, and assuming no further payments or recoveries were received by TCFEF with respect to the VPC/KMH Purchased Contract, TCFEF's Contract Balance would be equal to \$115,487.53.

Upon receipt of the repurchase price, in accordance with Section 3.2(b) of the Purchase Agreement, TCFEF shall sell to Amur without recourse, representation or warranty, all right, title and interest of TCFEF in, to and under the VPC/KMH Purchased Contract, and to that end TCFEF shall execute and deliver to Amur a re-conveyance document substantially in the form of Exhibit G to the Purchase Agreement.

Please contact me, or ask that your counsel contact me, at your earliest convenience to identify the repurchase date, confirm the repurchase price and TCFEF's wire-transfer instructions. I can be reached via email at [ddvorak@tcfef.com](mailto:ddvorak@tcfef.com), or via telephone at (952) 656-3258.

Kind Regards,



Dan Dvorak

Vice President – Senior Counsel

TCF Equipment Finance, a division of TCF National Bank

cc: Mike Coon, Vice President – Syndications Manager (via email)  
[mcoon@amuref.com](mailto:mcoon@amuref.com)